

**IC 6-3.1-22**

## Chapter 22. Residential Historic Rehabilitation Credit

**IC 6-3.1-22-1****Applicability of definitions**

Sec. 1. The definitions set forth in:

- (1) IC 14-8-2 that apply to IC 14-21-1; and
- (2) IC 14-21-1;

apply throughout this chapter.

*As added by P.L.129-2001, SEC.7.*

**IC 6-3.1-22-2****"Division" defined**

Sec. 2. As used in this chapter, "division" means the division of historic preservation and archeology of the department of natural resources.

*As added by P.L.129-2001, SEC.7.*

**IC 6-3.1-22-3****"Preservation" defined**

Sec. 3. (a) As used in this chapter, "preservation" means the application of measures to sustain the form, integrity, and material of:

- (1) a building or structure; or
- (2) the form and vegetative cover of property.

(b) The term includes stabilization work and the maintenance of historic building materials.

*As added by P.L.129-2001, SEC.7.*

**IC 6-3.1-22-4****"Qualified expenditures" defined**

Sec. 4. (a) As used in this chapter, "qualified expenditures" means expenditures for preservation or rehabilitation of a structure that enables the structure to be principally used and occupied by the taxpayer as the taxpayer's residence.

(b) The term does not include costs that are incurred to do the following:

- (1) Acquire a property or an interest in a property.
- (2) Pay taxes due on a property.
- (3) Enlarge an existing structure.
- (4) Pay realtors' fees associated with a structure or property.
- (5) Pay paving and landscaping costs.
- (6) Pay sales and marketing costs.

*As added by P.L.129-2001, SEC.7.*

**IC 6-3.1-22-5****"Rehabilitation" defined**

Sec. 5. As used in this chapter, "rehabilitation" means the process of returning a property to a state of utility through repair or alteration that makes possible an efficient contemporary residential use while

preserving the parts or features of the property that are significant to the historical, architectural, or archeological values of the property.  
*As added by P.L.129-2001, SEC.7.*

#### **IC 6-3.1-22-6**

##### **"State tax liability" defined**

Sec. 6. As used in this chapter, "state tax liability" means a taxpayer's total tax liability incurred under IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax) as computed after the application of all credits that under IC 6-3.1-1-2 are to be applied before the credit provided by this chapter.

*As added by P.L.129-2001, SEC.7.*

#### **IC 6-3.1-22-7**

##### **"Taxpayer" defined**

Sec. 7. As used in this chapter, "taxpayer" means:

- (1) an individual filing a single return; or
- (2) a married couple filing a joint return.

*As added by P.L.129-2001, SEC.7.*

#### **IC 6-3.1-22-8**

##### **Entitlement to credit**

Sec. 8. (a) Subject to section 14 of this chapter, a taxpayer is entitled to a credit against the taxpayer's state tax liability in the taxable year in which the taxpayer completes the preservation or rehabilitation of historic property and obtains the certifications required under section 9 of this chapter.

(b) The amount of the credit is equal to twenty percent (20%) of the qualified expenditures that:

- (1) the taxpayer makes for the preservation or rehabilitation of historic property; and
- (2) are approved by the division.

(c) In the case of a husband and wife who:

- (1) own and rehabilitate a historic property jointly; and
- (2) file separate tax returns;

the husband and wife may take the credit in equal shares or one (1) spouse may take the whole credit.

*As added by P.L.129-2001, SEC.7.*

#### **IC 6-3.1-22-9**

##### **Conditions for credit qualification**

Sec. 9. A taxpayer qualifies for a credit under section 8 of this chapter if all of the following conditions are met:

- (1) The historic property is:
  - (A) located in Indiana;
  - (B) at least fifty (50) years old; and
  - (C) except as provided in section 8(c) of this chapter, owned by the taxpayer.
- (2) The division certifies that the historic property is listed in the register of Indiana historic sites and historic structures.

(3) The division certifies that the taxpayer submitted a proposed preservation or rehabilitation plan to the division that complies with the standards of the division.

(4) The division certifies that the preservation or rehabilitation work that is the subject of the credit substantially complies with the proposed plan referred to in subdivision (3).

(5) The preservation or rehabilitation work is completed in not more than:

(A) two (2) years; or

(B) five (5) years if the preservation or rehabilitation plan indicates that the preservation or rehabilitation is initially planned for completion in phases.

The time in which work must be completed begins when the physical work of construction or destruction in preparation for construction begins.

(6) The historic property is principally used and occupied by the taxpayer as the taxpayer's residence.

(7) The qualified expenditures for preservation or rehabilitation of the historic property exceed ten thousand dollars (\$10,000).

*As added by P.L.129-2001, SEC.7.*

#### **IC 6-3.1-22-10**

##### **Certifications for rehabilitation work**

Sec. 10. (a) The division shall provide the certifications referred to in section 9(3) and 9(4) of this chapter if a taxpayer's proposed preservation or rehabilitation plan complies with the standards of the division and the taxpayer's preservation or rehabilitation work complies with the plan.

(b) The taxpayer may appeal a decision by the division under this chapter to the review board.

*As added by P.L.129-2001, SEC.7.*

#### **IC 6-3.1-22-11**

##### **Credit claimed on tax return**

Sec. 11. To obtain a credit under this chapter, a taxpayer must claim the credit on the taxpayer's annual state tax return or returns in the manner prescribed by the department of state revenue. The taxpayer shall submit to the department of state revenue the certifications by the division required under section 9 of this chapter and all information that the department of state revenue determines is necessary for the calculation of the credit provided by this chapter.

*As added by P.L.129-2001, SEC.7.*

#### **IC 6-3.1-22-12**

##### **Reduction of adjusted basis**

Sec. 12. For purposes of IC 6-3, the adjusted basis of the structure shall be reduced by the amount of a credit granted under this chapter.

*As added by P.L.129-2001, SEC.7.*

#### **IC 6-3.1-22-13**

**Recaptured credit**

Sec. 13. (a) A credit claimed under this chapter shall be recaptured from the taxpayer if:

- (1) the property is transferred less than five (5) years after completion of the certified preservation or rehabilitation work;
- or
- (2) less than five (5) years after completion of the certified preservation or rehabilitation, additional modifications to the property are undertaken that do not meet the standards of the division.

(b) If the recapture of a credit is required under this section, an amount equal to the credit recaptured shall be added to the tax liability of the taxpayer for the taxable year during which the credit is recaptured.

*As added by P.L.129-2001, SEC.7.*

**IC 6-3.1-22-14****Credit exceeding tax liability**

Sec. 14. (a) If the credit provided by this chapter exceeds a taxpayer's state tax liability for the taxable year for which the credit is first claimed, the excess may be carried over to succeeding taxable years and used as a credit against the tax otherwise due and payable by the taxpayer under IC 6-3 during those taxable years. Each time that the credit is carried over to a succeeding taxable year, the credit is to be reduced by the amount that was used as a credit during the immediately preceding taxable year. The credit provided by this chapter may be carried forward and applied to succeeding taxable years for fifteen (15) taxable years following the unused credit year.

(b) A credit earned by a taxpayer in a particular taxable year shall be applied against the taxpayer's tax liability for that taxable year before any credit carryover is applied against that liability under subsection (a).

(c) A taxpayer is not entitled to any carryback or refund of any unused credit.

*As added by P.L.129-2001, SEC.7.*

**IC 6-3.1-22-15****Maximum credit**

Sec. 15. The amount of tax credits allowed under this chapter may not exceed two hundred fifty thousand dollars (\$250,000) in a state fiscal year beginning July 1, 2001, or thereafter.

*As added by P.L.129-2001, SEC.7.*

**IC 6-3.1-22-16****Adoption of rules**

Sec. 16. The following may adopt rules under IC 4-22-2 to carry out this chapter:

- (1) The department of state revenue.
- (2) The division.

*As added by P.L.129-2001, SEC.7.*

